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WTC acquires messaging solutions provider, Xware

Global logistics solutions group, WiseTech Global, today announced the acquisition of Xware, a leading messaging integration solutions provider in Sweden.

Xware's secure, interoperable messaging solution, *xTrade*, is designed to link organisations to their suppliers and partners, allowing them to safely share information across application to application, business to business, managed file transfers, business process management and IoT – essential for real-time messaging, queued business flows and data integration. Xware products are also utilised in the integration of complex applications in specialised sectors such as defence. Xware customers include Swedish Armed Forces, CGI, Stockholm City Council, Axstores/Åhlens, Greencarrier Freight Services, and other organisations across sectors including logistics, IT, and healthcare.

WiseTech Global Founder and CEO, Richard White, said "We welcome the Xware team who are well-regarded for their innovative and secure message switching technology, into the WiseTech family. We are acquiring Xware to enhance our messaging gateway and ensure we have greater control over the future development, quality and scalability of this key messaging technology. This is part of our digital straight-through processing strategy to accelerate adoption, reduce risks and costs and encourage wider digitisation within the logistics industry. This adjacency acquisition will also expand our innovation resources, deliver benefits to our customers and improve partner channel capacity for integrations to CargoWise platforms.

"Given WiseTech's powerful global development capabilities and worldwide reach, we will together further expand the speed and ease with which organisations can interconnect their myriad information systems with our *CargoWise One* global logistics execution platform. Xware will also play a part in our *CargoWise Nexus* platform, currently in development, designed to enable our customers to rapidly, reliably and securely connect digitally with their own customers and trading partners."

The purchase cost comprises ~\$12.0m upfront, with a further expected multi-year earn-out potential of ~\$11.2m in relation to business integration, strategic objectives and revenue performance¹. With FY18 annual revenue and EBITDA of ~\$3.5m and ~\$1.4m respectively, this transaction, while of strategic value, is not material to the WiseTech Global group². Xware is expected to be consolidated into WiseTech Global accounts from May 2019.

This transaction follows WiseTech's other recent logistics solutions acquisitions in Argentina, Australasia, Belgium, Brazil, Canada, France, Germany, Ireland, Italy, the Netherlands, North America, Norway, Spain, Sweden, Taiwan, Turkey, the UK and Uruguay, and is in line with WiseTech Global's clearly stated strategy of accelerating long-term organic growth through targeted, valuable geographic foothold and technology adjacency acquisitions.

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¹ Approximate AUD equivalents to consideration amounts denominated in SEK.

² Historical revenues and EBITDA figures for acquired businesses should not be considered guidance for future financial contribution due to their differing licence arrangements, the extent of non-recurring revenue (such as one-off development and consulting income) and the potential impact of integration.

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About WiseTech Global

WiseTech Global is a leading developer and provider of software solutions to the logistics execution industry globally. Our customers include 12,000 of the world's logistics companies across 130 countries, including 38 of the top 50 global third party logistics providers and all 25 of the 25 largest global freight forwarders worldwide¹. Our flagship product, CargoWise One, forms an integral link in the global supply chain and executes over 54 billion data transactions annually. At WiseTech, we are relentless about innovation, adding more than 3,000 product enhancements to our global platform in the past five years while bringing meaningful continual improvement to the world's supply chains. Our breakthrough software solutions are renowned for their powerful productivity, extensive functionality, comprehensive integration, deep compliance capabilities, and truly global reach.

The WiseTech Global group includes CargoWise One, ABM Data Systems, ACO Informatica, BorderWise, Bysoft, Cargoguide, CargoIT, CargoSphere, CMS Transport Systems, Containerchain, CustomsMatters, DataFreight, EasyLog, Fenix, Forward, Intris, LSP Solutions, Microlistics, Multi Consult, Pierbridge, Prolink, SaaS Transportation, SmartFreight, Softcargo, Softship, Systema, Taric, Trinium Technologies, Ulukom, zsoft and znet Group.

For more information about WiseTech Global or CargoWise One, please visit wisetechglobal.com

About Xware AB

Founded in 1991, Xware is based in Sweden, headquartered in Stockholm with a team of 12 experienced, industry, integration and technical professionals.

Xware provides a messaging integration hub, xTrade, which links customers to their suppliers and partners, allowing them to safely share data. Customers include Swedish Armed Forces, CGI, Stockholm City Council, Greencarrier Freight Services, Axstores/Åhlens, and other organisations across various sectors including logistics, IT, defence and healthcare.

Visit www.xware.se to find out more.

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^[1] Armstrong & Associates: Top 50 Global Third Party Logistics Providers List, ranked by 2017 logistics gross revenue/turnover. Armstrong & Associates: Top 25 Global Freight Forwarders List, ranked by 2017 logistics gross revenue/turnover and freight forwarding volumes.